



TRABUCO CANYON WATER DISTRICT FINANCE/AUDIT COMMITTEE MEETING RECAP | AUGUST 10, 2016

DIRECTORS PRESENT

Committee Member Michael Safranski
Committee Member Alternate Glenn Acosta

STAFF PRESENT

Hector Ruiz, General Manager
Michael Perea, District Secretary
Karen Warner, Accounting Supervisor
Lisa Sangi, Administrative Assistant
District Treasurer, Cindy Byerrum

PUBLIC PRESENT

There were no members of the public present

CALL MEETING TO ORDER

Director Safranski called the August 10, 2016, Finance/Audit Committee Meeting to order at 6:00 P.M.

VISITOR PARTICIPATION

No visitor participation was received.

ORAL COMMUNICATION

No oral communication was received.

COMMITTEE MEMBER COMMENTS

Director Acosta had no comments.

Director Safranski commented on a recent Orange County Register Article concerning the impacts of the new State Water Board regulations on statewide water conservation efforts.

REPORT FROM THE DISTRICT SECRETARY

Mr. Ruiz reported that the Association of California Water Agencies (ACWA) Fall Conference is scheduled for the week of November 28, 2016 and will be held in Anaheim, California.

ITEM 1: FINANCE/AUDIT COMMITTEE MEETING RECAP

The July 13, 2016, Finance/Audit Committee Meeting Recap was presented to the Committee.

RECOMMENDED ACTION:

The Committee approved and recommended that the July 13, 2016, Finance/Audit Committee Meeting Recap be received and filed by the Board (Consent Calendar).

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ITEM 2: RATIFICATION OF DIRECTORS' FEES AND EXPENSES, TENTATIVE FUTURE MEETINGS/ATTENDANCE ITEMS

The Committee reviewed the information presented and there were no changes.

RECOMMENDED ACTION:

The Committee recommended that the Directors' expenses and fees for July, 2016, and the tentative future meetings be forwarded to the Board for ratification as amended (Consent Calendar).

ITEM 3: DISCUSSION AND POSSIBLE ACTION(S) CONCERNING TRABUCO CANYON WATER DISTRICT HEALTH BENEFITS

Mr. Ruiz presented this matter for Committee review, and said that this matter is reviewed annually prior to open enrollment. Mr. Ruiz reviewed the Health Benefit Trend Analysis for the prior three years (Exhibit) and highlighted the calendar year 2017 health care rates with the Committee. Discussion occurred concerning the Fiscal Year 2016/2017 budgeted costs for employee benefits; Mr. Ruiz said that District staff budgeted for an eight percent increase in employee health insurance costs, and that based on the District staff analysis, the projected costs for the fiscal year will be under budget. Mr. Perea commented on certain changes to the health plans offered in calendar year 2017 and highlighted the open enrollment start and end dates with the Committee.

RECOMMENDED ACTION:

The Committee received information concerning the matter, and recommended that the matter be forwarded to the Board of Directors (Action Calendar).

ITEM 4: OTHER MATTERS

Mr. Ruiz reported that the District Treasurer and District staff have secured proposals for the upgrade of the District's Utility Billing (UB) System. Ms. Byerrum said that she had solicited proposals from three select vendors for the UB System upgrade project earlier this year: Springbrook, Caselle, and Tyler Technologies (Tyler). Ms. Byerrum added that she had selected two of the three vendors based on past project management and implementation experience with other clients, and arranged for District staff to participate in multiple webinars, software system demonstrations, and conference calls for Caselle and Tyler Technologies. Ms. Byerrum reviewed the benefits and disadvantages of both UB system solutions with the Committee, and reported that District staff has selected Tyler as the preferred vendor for the UB System upgrade. Ms. Byerrum reviewed the proposed project costs, and said that she has successfully negotiated with Tyler on the costs in order to meet the District's approved CIP budget. Discussion occurred concerning the impacts of the planned upgraded UB system on the District's existing server network; Mr. Ruiz said that the District has budgeted for hardware and software upgrades to the existing server network to accommodate and meet the system requirements of the upgraded UB system. Mr. Ruiz added that District staff recommend the replacement of the physical servers, certain hardware and software components after recently learning that the software (i.e. Small Business Server 2008) will be nearing the end of life support in early 2017.

RECOMMENDED ACTION:

The Committee received information concerning the matter, and recommended that the matter be forwarded to the Board of Directors (Action Calendar).

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ITEM 5: FINANCIAL REPORT

Ms. Byerrum presented the unaudited financials for June, 2016, for Committee review, and reported that there were no anomalies to report. Discussion occurred concerning the following matter(s):

Statement of Revenues and Expenses

- Operating Revenue, Residential Water, Business & Industrial Water, and Irrigation Water:

Ms. Byerrum reviewed these line items and noted the increase in water revenue directly related to the District's new water rates.

- Operating Expenses, Source of Supply:

Ms. Byerrum said that this line item was below budget for the year due electrical account savings throughout the fiscal year.

- Developer Impact Fees:

Ms. Byerrum said that this line item reflects the Developer Deposit from William Lyon Homes for the Dahlia Court construction project on Plano Trabuco Road.

RECOMMENDED ACTION:

The Committee recommended that the Board receive and file the unaudited Financial Statement for June, 2016, as presented (Consent Calendar).

ITEM 7B: FINANCIAL REPORT

Mr. Ruiz presented the bills for consideration for August 10, 2016.

RECOMMENDED ACTION:

The Committee signed the bills for consideration and the warrant register, and recommended that the Board ratify payment of the bills for consideration for August 10, 2016, as presented (Consent Calendar).

ADJOURNMENT

Director Safranski adjourned the August 10, 2016, Finance/Audit Committee Meeting at 6:31 P.M.